

## **FINANCE & PERFORMANCE SCRUTINY COMMITTEE - TUESDAY, 5 MARCH 2024**

### **Report of the Head of Regulatory Services and Community Safety Lead Member: Executive member for Communities and Neighbourhoods**

#### **Part A**

#### CAR PARKING STRATEGY

##### Purpose of Report

To provide an update on the Car Park Strategy to Finance and Performance Scrutiny Committee.

##### Recommendation

That the Finance and Performance Scrutiny Committee notes the contents of the report detailing phase 1 outcomes of the Parking Strategy Project.

##### Reason

To ensure timely scrutiny of the Car Park strategy project.

##### Policy Justification and Previous Decisions

Previous Finance & Performance Scrutiny have been advised that a parking strategy project group would be implemented. The project being split in to two phases:

##### Phase 1:

- To scrutinise the parking operation
- Review the parking data and report back to the Council with observations
- Put forward potential recommendations for consideration based on the observations made and other opportunities available in the market

##### Phase 2:

- Present the preferred options for presentation to the Car Parking Project Board, Communities Board and SLT
- Create a high-level strategy document for off-street parking for Charnwood Borough Council
- Implement any recommendations as agreed by the appropriate Boards

##### Implementation Timetable including Future Decisions

A key recommendation for price increases will be implemented in the Summer of 2024 pending further decisions on the detailed fee options. Street Management have been asked by Cabinet members to consider and report back on these options.

Other recommendations from the consultants report will be implemented in a timely manner as reviewed by the car park project board and presented to the appropriate officers and members.

## Report Implications

### **Financial Implications**

There are no financial implications as a direct result of the update report. However, should the recommendations for price increases be implemented then there would be a potential additional income of approximately £180,000 (pending detailed decisions on the fee structure).

Is a virement (budget transfer) required to fund this decision? *No*

### **Climate Change and Carbon Impact**

Electric Vehicle charge points have been considered as part of the report albeit as a “light” touch. A direction of travel should be considered within the parking strategy.

### **Consultations**

There are no consultations as this is an update only at this stage.  
Consultation will be required once the parking strategy is published.  
Fee changes will require a consultation process as part of the implementation process.

### **Links to the Corporate Strategy**

Caring for the Environment	Yes
Healthy Communities	Yes
A Thriving Economy	Yes
Your Council	No

Key Decision: N

Background Papers: None

Officer(s) to contact: Gareth Harvey  
(Head of Regulatory and Community Safety)  
Karl Harrison  
(Car Parks and Civil Parking Enforcement manager)

## Part B

### **Background**

Charnwood Borough Council awarded a contract to Apex parking Ltd to review the car park operations for the Council. The first phase of the work being to scrutinise parking data and information and report back to the Council with observations and potential options for future operations. This initial phase of work has now been completed.

Phase 2 of the project is to consider some of the opportunities and recommendations put forward by Apex Ltd and agree which to progress.

A final outcome is to create a direction of travel for the car parks service in the form of a parking strategy document.

### **Report Headlines and findings**

A “commercial” review of the car park portfolio was undertaken but there was also acknowledgement of the wider roles of the local authority in delivering community and local economic benefits through the car park assets, especially in the districts i.e. “A Thriving Economy”.

2019/2020 was used as the pre-covid base year for the financial review. From March 2020, there were obvious significant impacts on the car park operation during covid lockdowns and then the subsequent changes in ways of working and shopping habits.

The car parks have made some recovery in the income received – it is currently about 85% of pre-pandemic levels but it is not expected to reach those income levels again without some intervention. This drop in income has been reported in the MTFS (Medium Term Financial Strategy).

Apex Ltd have highlighted the loss in income but also reported on the increase in costs. In particular, the increases related to staffing and other on-costs.

### **Loughborough car parks**

Loughborough car parks operations were reviewed individually for strengths, weaknesses opportunities and threats. The main opportunity being a review of the parking fees and charges. The parking tariffs have remained largely un-changed since 2012. (The 20p tariff for ½ hour parking has been in place for over 20 years.)

The report highlights a fall in the net revenues for each individual site. Beehive Lane and Granby Street account for 85% of the overall revenue from car parks, so they have the biggest impact.

The pricing tariff structure for Loughborough car parks was considered to be overly complicated with income shortfalls during key opening hours e.g. evenings, Sundays and Bank holidays. They specifically highlighted the free parking period between midnight and 6am as shortfall in income.

It was stated that the low charges were suppressing the market at other non-council car park.

A simplified fee structure has been recommended by the consultant, Apex Ltd. The estimate of increased revenue from this new fee structure is approximately £180k.

The proposed fee structure has been presented to cabinet members for consultation, before being finalised.

Apex have also highlighted opportunities with promotions and marketing.

The customer experience could be improved with technology, but this would come with capital costs.

The Car Park Project Board recommended that the fees are increased on a more regular basis to avoid large changes when left for several years. However, a yearly increase may not be a feasible time scale if the minimum 10p increase is more than inflationary percentage, if so a minimum of every 2 years should be implemented.

### **District car parks**

The Apex report has highlighted the benefits of the district car parks aligning to the Council's corporate strategy of "A Thriving Economy" and supporting economic growth in Charnwood.

All the district car parks are in good condition having had capital investment. This has helped minimise maintenance costs. However, none of the car parks generate an income to cover their costs which include rates, maintenance, and capital investment. There are 2 car parks, not owned by Charnwood, that also apply rent charges.

There are no financial contributions from parishes or elsewhere toward these beneficial amenities.

Apex Ltd have put forward the potential opportunity to generate an income from the larger car parks through parking charges should the Council be minded to.

### **Business Rates**

Apex have questioned the business rates applied to some of the assets and whether they should be reviewed. This review has already been completed by the Street Management Team. Business rates have been attributed to their appropriate budget codes, so there is no risk of underpayment. Also, property services achieved some savings from the car parks' business rates after successfully submitting review documents.

### **Permits and Customer Journey**

Apex highlighted the changes in customer behaviour especially around working from home or the office - many office workers no longer work in the office 5 days a week. Therefore, there is little incentive to purchase a season permit as it is unlikely to provide any financial benefits to the user.

Apex promoted more flexible parking tariff options and promotions to incentivise parking in a more ad hoc manner.

## **Technology review – parking equipment, software, upgrades, hardware**

Most of the parking equipment is over 10 years old and parking innovations and technologies have moved on in that period. There are options to make improvements when the machines are up for replacement. This will be considered as part of the capital program and included in the overall parking strategy.

## **Phase 2 - Development of the Parking Strategy**

The appointed contractor has completed phase 1 of the project as detailed in the scope of the RfQ and further discussed at project meetings. There was a small budget left over for the appointed contractor to complete a Strategy document. However, the project board agreed that this could be completed using the in-house knowledge based on the preferred option from this report. There would be no real benefits in appointing Apex Ltd to complete an over-arching strategy for parking.

## **Engagement and Consultation**

The aim of the strategy is to have a high-level consensus and support on the purpose and operation of the car parks in support of the Council's corporate objectives. It is recognised that support will be needed by elected members in any recommendations, fee changes and for the final strategy.

Engagement with Cabinet members will take place to ensure the strategy aligns with the manifesto. It will also be shared at Cabinet Member Briefing and all member briefing. Once the Strategy is drafted it will be placed on our public consultation page for a minimum of 4-6 weeks to ensure stakeholders have an opportunity to comment and feedback. Following this period of consultation, a final report will be drafted for Cabinet to adopt the new strategy.

Consideration should be given to other strategies such as Carbon Reduction schemes and commitments e.g. Electric vehicle infrastructure and projects already underway like the solar hubs.